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the members of the panel of Chairmen is to be nominated by me as a member of the Committee. I fix 3 p.m. to-day as the hour within which nominations may be handed over to the Secretary.

" If the number of candidates nominated exceeds the number of vacancies to be filled in, namely, six, then there will be an election between 12 noon and 2 p.m. on Friday, the 7th November 1947."

[*Note.*—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

V.—BILLS.

(1) THE MADRAS BETTING TAX (AMENDMENT) BILL, 1947 (L.A. BILL NO. 29 OF 1947)

THE HON. SRI B. GOPALA REDDI :—" Mr. President, Sir, I beg to move—

> '*that the Madras Betting Tax (Amendment) Bill, 1947 (L.A. Bill No. 29 of 1947), as passed by the Assembly,*[a] *be taken into consideration at once.*'

" Recently, Sir, we had a discussion whether racing and betting in the Presidency should be allowed, on the motion moved by the hon. Member Mr. Abdul Latif Farookhi. The Hon. the Home Minister is taking steps to give notice of the Bill that was published some months ago and the House will have an opportunity of discussing about the main problem itself. This amending Bill seeks to enhance the rate now existing, namely 6¼ per cent to 12½ per cent. So the issue is very simple, namely whether it should remain at 6¼ per cent or it should be 12½ per cent. That is the main issue before us now. In 1946 the people in the Race Course enhanced the admission of Re. 1 to Rs. 2-8-0 and the betting unit of Rs. 2-8-0 into Rs. 5 and the result was really very telling. When the admission fee was Re. 1 and the unit of betting was Rs. 2-8-0 in the second enclosure 11,982 people attended on an average the race course at Guindy and last November when the admission fee was raised from Re. 1 to Rs. 2-8-0 and the betting unit from Rs. 2-8-0 to Rs. 5 the attendance came down to 6,594 people on the average. The second enclosure people cannot have any access to the book-makers. It is only the first enclosure people who can go to the book-maker and have the pleasure of betting on any horse. But the second enclosure people can only go to the totalizator where the betting rate is only Rs. 5.

" I may also give some figures for the benefit of the House, Sir, as to how the Government was getting a small income out of this betting tax. In 1943 it was enhanced from 4 per cent to 6½ per cent. From 1935 to 1943 the rate remained at 4 per cent and in 1943 it was enhanced to 6¼ per cent and now we are proposing to increase it further to 12½ per cent. The income derived from 1939-40 is as follows: 1939-40, Rs. 1·66 lakhs; 1940-41, Rs. 1·40 lakhs; 1941-42, Rs. 1·37 lakhs; 1942-43, Rs. 2·01 lakhs; 1943-44, Rs. 6·71 lakhs; 1944-45, Rs. 10·61 lakhs; 1945-46, Rs. 19·11 lakhs and in 1946-47 it was over Rs. 23 lakhs.

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[a] Printed as Appendix V on pages 650-651 infra.

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Besides the betting tax it is also subjected to the entertainments tax and the Government is also considering the enhancement of the rate of the entertainments tax to 33⅓ per cent. So this Rs. 2–8–0 and Rs. 5 ticket are also subject to entertainment tax. Last year the Government derived Rs. 1,41,000, 90 per cent of which went to the Chingleput District Board, the Madras Corporation and the Saidapet Municipality. Now that the Saidapet Municipality has come into the City Corporation, the City Corporation will get the benefit. These are some of the figures which I have given for the benefit of the House. As I have already stated, Sir, the issue is very simple whether it should be 6¼ per cent or whether it should be raised to 12½ per cent. I have clearly stated in the Statement of Objects and Reasons that the betting tax will be leviable only so long as horse-racing is permitted in this Province. And the Home Minister is giving notice of the Bill and the House will have the advantage of discussing that in a few weeks. So, Sir, I request that the discussion may be confined to the tax portion of the Bill alone."

SRI S. B. ADITYAN :—"Is the tax, 33⅓ per cent entertainment tax plus 12½ per cent betting tax?"

THE HON. SRI B. GOPALA REDDI :—"On the admission fee of Rs. 2–8–0 and Rs. 5 the entertainment tax will be levied and the tax on betting is being increased from 6¼ per cent to 12½ per cent."

SRI B. NARAYANASWAMI NAYUDU :—"How much additional revenue will the Government derive from this increase, Sir?"

THE HON. SRI B. GOPALA REDDI :—"We expect some Rs. 10 to Rs. 15 lakhs. Of course the law of diminishing return will act. It is now Rs. 23 lakhs and in future it may not be more than Rs. 35 lakhs."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"Sir, I rise to oppose the Bill that has been moved by the Hon. Finance Minister. I feel, Sir, that it is a camouflage to continue the betting on horses. We want to know whether the Government is going to stop betting or continue it by increasing this tax. Increase in the tax means that there is a fresh lease for the Madras Race Club." 11-45 a.m.

THE HON. SRI B. GOPALA REDDI :—"The decision of the previous Government was that racing might continue from November 1947 to June 1948 at Madras and Ootacamund."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"I am glad, Sir, the Hon. Finance Minister has given this definite assurance . . ."

THE HON. SRI B. GOPALA REDDI :—"I have not given any definite assurance. I only said that the Home Minister had given notice of a Bill and the House will have to decide whether betting will be allowed to continue or will be modified."

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* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" We want to know from the Government what their policy is in the matter, whether this House or the other House permits the thing. I thought the Hon. Finance Minister gave an assurance to us on the matter, but he at once turns round and says that he has not given any assurance. It is because of that, as I said at the beginning, I think this is only another way of giving a long lease to the Madras Race Club to continue the betting on races.

" Sir, I do not know why the Hon. the Home Minister has not come forward with this Bill now. Perhaps because this is a Finance Bill, the Hon. Finance Minister has come forward with it. Sir, the entertainment tax also is evaded by the race club people by giving a large number of free tickets. I want the Hon. Finance Minister to examine this question also and find out how many free tickets are given by the race club and how much entertainment tax can be collected on those tickets. Sir, my party in the other House has said that it does not want this tainted money. A few lakhs of rupees is nothing. When we are prepared to forgo crores of rupees by introducing prohibition why should we not lose a few lakhs of rupees by preventing betting on horses? The Hon. the Finance Minister said that a smaller number of people were going to the race course after the enhancement of the price of the ticket for the second enclosure. Has the Hon. Minister found what is the actual amount of betting money paid to the race club even though the number of people is smaller? "

THE HON. SRI B. GOPALA REDDI :—" It can be calculated from the amounts paid to the Government."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" The statement made by the Hon. Minister just now shows that the amount has been gradually increasing from about one lakh of rupees to twenty-three lakhs of rupees. Though the number of people going to the second enclosure is small, the amount spent in betting on horses is much larger."

THE HON. SRI B. GOPALA REDDI :—" There is the first enclosure and there are the book-makers."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" Sir, if the Hon. Dr. Subbarayan had spoken on this question, he would have been able to enlighten us on this question much better. Sir, in spite of the fact that a smaller people go to the second enclosure, these people bet in the first enclosure also with the book-makers."

THE HON. SRI B. GOPALA REDDI :—" How does the hon. member know it? Is it from personal experience? "

MR. PRESIDENT :—" What is the relevance of this to the Bill before the House? "

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" I want to show that the evil has not stopped."

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MR. PRESIDENT :—" That is evident on the face of it."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" I want to show that the argument of the Government is untenable."

K. UPPI SAHIB BAHADUR :—" May I know, Sir, what is the first enclosure, what is the second enclosure, who are book-makers and so on? "

MR. PRESIDENT :—" I would advise the hon. Member to go to the race course one day." (Laughter.)

K. UPPI SAHIB BAHADUR :—" I would not like to go there, Sir."

MR. PRESIDENT :—" The hon. Member may consider only the question of the enhancement of the tax and say whether he agrees to the enhancement or not. As it is, racing will go on until something else happens. The point is : under the present circumstances would you like the tax to be enhanced or not? "

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" On that point, Sir, as I have said, my party is opposed to getting this tainted money . . ."

MR. PRESIDENT :—" The more you get, the more tainted it is! "

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" The more you get, the more tainted it is. You are quite right in saying that.

" The argument advanced by the Hon. Finance Minister is that lesser number of people go to the second enclosure and the evil is less. It is not so. If ten persons go to the second enclosure, they send one of them to the first enclosure. If the ticket for the first enclosure is ten rupees, one man takes a ten-rupee ticket and goes in and all the others remain in the second enclosure. There is no barrier between the first and second enclosure which will not permit of their speaking to each other. The man in the first enclosure ascertains the views of the people left in the second enclosure as to the horse they want to bet. He collects all the money from the second enclosure and bets in the first enclosure with the book-makers. The fact that you restrict the number of people going to the second enclosure does not therefore in any way lessen the evil. The argument advanced by the Hon. Minister in that regard is not correct."

MR. PRESIDENT :—" If the hon. member's argument is that the people in the first and the second enclosures communicate with one another, then the lesser the number in the second enclosure, lesser will be consultation."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" Even though the consultation is reduced, the amount that is spent in

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betting on horses is not in any way reduced. You charge the book-makers, Sir, but there are people who do not possess books. A large number of Marwaris go there, sit in the enclosure and receive betting money as book-makers do without, of course, possessing books."

THE HON. SRI B. GOPALA REDDI :—"Suppose, Sir, we abolish betting on horses in Guindy and people bet on Derby sweeps, what shall we do?"

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"That is not our concern, Sir. Suppose you introduce prohibition in a particular place and people there go to some other place and drink. On that account, would you not abolish drink?"

THE HON. SRI B. GOPALA REDDI :—"What they do clandestinely, we cannot prevent."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"The argument advanced by the Hon. Finance Minister is not correct. What is done behind our backs is not our concern. We are going to legislate for the good of the province. If we can prevent an evil in the province, we are not going to take responsibility for what takes places in Derby, Germany, America or other places. If people drink somewhere is it necessary for us to give up prohibition? The whole world cannot become dry; on that account should we give up prohibition? The Government's proposal to increase the taxes at the present moment is not correct, if they really want to prevent betting . . ."

MR. PRESIDENT :—"The Hon. Minister did not say that they want to prevent betting. That was not his argument."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"Then, Sir, that is all the greater reason for us to oppose the amendment, because we do not simply want a tax on betting."

MR. PRESIDENT :—"I think the House understands the hon. Member quite well."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"We are not going to be satisfied with getting a few lakhs of rupees for the Government. We want the economic condition of the people to be bettered and the moral character of the people to be improved. Are you going to do this by raising this tax from $6\frac{1}{4}$ per cent to $12\frac{1}{2}$ per cent? Will the standard of morality of the people be raised by raising this tax? An Independent National Government of which we are proud must look to the betterment of the people and the raising of the moral standard of the people. Then only we as a National Government will have a right to rule over the people. I submit, Sir, we should not care for the tainted money that is sought to be got by the enhancement of this tax. I would rather say that it must be a shame to any legislature, any Government and any people to do so. I would therefore request the Government not to proceed with this small measure, but bring in

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a comprehensive Bill to stop betting on horses altogether. My hon. Friend Dr. P. Subbarayan said the other day that they wanted to encourage horse-breeding. I do not want to go into the details."

MR. PRESIDENT :—"Does the Hon. Dr. Subbarayan feel sufficiently provoked to give a reply."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"He is a very patient man and will not be easily provoked though I may try to provoke him. How can you prevent the betting going on there? There are the stewards. I do not think Hon. Dr. Subbarayan is a steward now."

MR. PRESIDENT :—"We may take it for granted that betting will go on and will be there. The hon. Member need not labour the point further."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"I want to labour this point, Sir. I want to tell the Government that betting should be stopped."

MR. PRESIDENT :—"The hon. Member has said that a number of times."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"I repeat it now, because it is a thing which has to be repeated again and again till we achieve our object. The fact that it is repeated simply goes to show . . ."

MR. PRESIDENT :—"The hon. Member may repeat it on different occasions."

* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—"This is also an occasion to repeat it. I submit, Sir, that my party and most of the hon. Members on this side of the House would not like to have a few lakhs of rupees from this source which will not be for the benefit of the people at large. Sir, if you want money, why not give up prohibition? Crores will be saved by that and you will be able to serve a large number of people. There are the non-gazetted officers suffering a lot. I do not know what is going to happen to them. If you save all the money which you spend on prohibition all these people can be helped. Why seek only a few lakhs of rupees? Why not put your hands on crores of rupees? But I say, Sir, that even crores of rupees should be spent and even lives sacrificed for raising the moral standard of the people and you are right in doing that with regard to prohibition. Why not tread the same righteous path here also. This is an evil much greater than the drink evil. I said last time and I repeat it again that a whole fortune can be gambled away with a book-maker, whereas a man cannot spend more than a hundred rupees in drink in a day."

MR. PRESIDENT :—"I do not know how the hon. Member is so sure about the capacity of a drunkard." (Laughter.)

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* ABDUL LATIF FAROOKHI SAHIB BAHADUR :—" The minimum capacity for a day, Sir. Of course a man can drink for a hundred rupees or a thousand rupees or a lakh of rupees. (Laughter.)

" I am opposing this not because I am not in favour of the Government getting more money, but because I want that the Government should stop betting altogether. I do not want piece-meal legislation like this now when the Hon. Minister is thinking even though he has not promised, of bringing forward a comprehensive Bill. I do not know when the Government are going to introduce the Bill and whether it will be the same Bill moved by me. That Bill was turned down by the Government saying that they would themselves bring forward a Bill. I do not know whether the coming Bill will be an improvement on the old Bill. I request, Sir, that a comprehensive Bill may be brought forward abolishing betting on horses. I oppose this Bill, Sir."

12 noon. * SRI S. B. ADITYAN :—" I wish to say only a few words and conclude in two or three minutes. I merely want to point out that the argument advanced by the Hon. Finance Minister cannot stand examination. He said that the increase of the rate of entrance to the second enclosure from one rupee to two and a half rupees had done some good to the betting public and added that a further increase in the rate would bring down the evil still further. If we carefully look at the figures furnished by him, we will see that by reason of the increase the betting public have suffered more. He said that when rate of entrance to the second enclosure was one rupee, the average attendance in the Guindy Race Course was 11,982 and that when the rate was enhanced, the average attendance was only 6,594. The attendance may be less if you count the number of heads. But what we have got to look at is the amount spent. When the rate was one rupee, the amount spent Rs. 11,982 per day when it was enhanced to Rs. 2-8-0, the amount spent was Rs. 16,485. A less number of the betting public have spent more, and therefore the betting public have suffered more on account of the increase. (Mr. President : ' That is the object of the legislation.') If the object is to fleece the betting public it is a different thing. But let it not be said that the increase in the betting tax will mitigate the evil. If increased income to the Government is a justification, the same argument can with equal validity be applied to toddy and other alcoholic drinks. Instead of abolishing the toddy shops, the tax could have been increased. (The Hon. Sri B. Gopala Reddi : ' That experiment also was tried.') That is all the more reason why we should not try the experiment here. On the ground that the Government get some more revenue though it is only for a year or so, the Bill may be supported, but not on the ground advanced by the Hon. Minister that racing is an all-India policy and that it will improve the breed of horses in the country."

K. UPPI SAHIB BAHADUR :—" The present financial position of the province is so bad that the Hon. Finance Minister requires

the sympathy of everybody. He is at his wit's end to find the necessary finance. We all have sympathy for him. But on this matter I have to oppose on principle. Gambling, drinking and games of chance are all included in the same category. This Bill aims at enhancing the income from a prohibited act. Betting is equally bad, if not more than drinking. We all know that the Congress, before they came into office, were all for purifying the nation and for weaning the people from immorality. But the moment they came into office, they have begun to justify some of the acts against which they were crying hoarse all these years. As my hon. Friend behind me (Abdul Latif Farookhi Sahib Bahadur) told the House, this Bill is a camouflage. A Bill asking for permission to legally increase the tax shows that the Government are not going to prohibit racing altogether. Because the Government are in an awkward financial position, they want to get some more income from an immoral toll for meeting the deficiency.

" The income from betting tax may be 23 lakhs this year, and with the proposed increase it may be 35 lakhs next year. When we ask for prohibiting racing next year, the Government may turn round and say: 'We will be losing 35 lakhs; how are we to make good the loss? How are we to run the Government?' The Finance Minister will confront us with such questions when we plead for the abolition of racing, and we will have to help him. We are not going to be a party to such a position and we oppose the Bill on principle."

The motion was put and carried.

Clauses 2, 3, 1 and the Preamble were one by one put and carried.

THE HON SRI B. GOPALA REDDI :—" I move—

' *that the Bill be passed into law.*' "

The motion was put and carried and the Bill was passed into law.

(2) THE MADRAS ABKARI (AMENDMENT) BILL, 1947
(L.A. BILL NO. 30 OF 1947)

MR. PRESIDENT :—" It is a strange coincidence that Gambling and Betting and Prohibition Bills are coming on the same day." (Laughter.)

THE HON. MR. DANIEL THOMAS :—" But my Bill is on a higher plane.

" Mr. President, Sir, I move—

' *that the Madras Abkari (Amendment) Bill,* 1947 (*L.A. Bill No.* 30 *of* 1947), *as passed by the Assembly* [a], *be taken into consideration at once.*'

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[a] Printed as Appendix VI on page 651 infra.